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LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS

BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/7/09

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

TABLE OF CONTENTS

	<u>Page No.</u>
BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report.....	1
Required Supplemental Information (Part 1 of 2)	
Management's Discussion and Analysis.....	4
Fund Financial Statements	
Statement of Net Assets	9
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	10
Statement of Cashflows	11
Notes to Financial Statements	
Index.....	14
Notes	15
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule.....	26
SUPPLEMENTAL SCHEDULES AND INFORMATION	
Schedule of Per Diem Paid to Board Members	28
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29
Schedule of Findings and Questioned Costs.....	31
Summary Schedule of Prior Year Findings	32
Management's Corrective Action Plan.....	33
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
Louisiana's Comprehensive Annual Financial Report	35

BASIC FINANCIAL STATEMENTS

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

To the Board Members of the
Louisiana State Board of Private Security Examiners
15730 Old Hammond Highway
Baton Rouge, Louisiana 70816

We have audited the accompanying business-type activities of the Louisiana State Board of Private Security Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, as listed in the table of contents, which comprise the Board's basic financial statements. These financial statements are the responsibility of the Louisiana State Board of Private Security Examiners' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

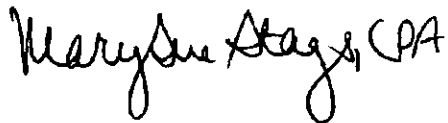
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Board of Private Security Examiners as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Louisiana State Board of Private Security Examiners' management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2009, on our consideration of the Louisiana State Board of Private Security Examiners' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
August 24, 2009

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

The purpose of this section is to offer a narrative overview and analysis of the Louisiana State Board of Private Security Examiners' (hereafter referred to as the Board) financial performance during the year ended June 30, 2009. This document focuses on the current year activities, resulting changes and currently known facts. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplemental information. There is also other supplemental schedules and information contained in this report provided for additional information.

Basic Financial Statements. The basic financial statements present information for the Board as a whole. Statements in this section include the following:

Statement of Net Assets. This statement presents information on all of the Board's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

Statement of Revenues, Expenses and Changes in Fund Net Assets. This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements can be found on pages 9-12 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The index of the notes is found on page 14 with the actual notes beginning immediately afterwards.

Required Supplemental Information. As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. The Louisiana Comprehensive Annual Financial Report completed with information relative to the Board is included as other required supplemental information.

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

Financial Analysis of the Board

Net assets are an indicator of the Board's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS

	<u>2009</u>	<u>2008</u>
Assets		
Current assets	\$ 142,041.95	\$ 170,744.85
Non-current assets	<u>415,298.02</u>	<u>489,247.83</u>
Total Assets	557,339.97	659,992.68
Liabilities		
Current liabilities	70,856.73	53,000.07
Non-current liabilities	<u>250,645.70</u>	<u>104,248.18</u>
Total Liabilities	<u>321,502.43</u>	<u>157,248.25</u>
Net Assets		
Invested in capital assets, net of related debt	360,755.26	346,191.26
Unrestricted	<u>(124,917.72)</u>	<u>156,553.17</u>
Total Net Assets	<u>235,837.54</u>	<u>502,744.43</u>

Net assets of the Board decreased by \$266,907 or 53% of the prior year. This is due in great part to decreased revenues. The influx of security guards following Hurricane Katrina has reversed itself. Another significant factor is the implementation of GASB No. 45 *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. This implementation recognized \$185,600 in expenditures this year.

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2009</u>	<u>2008</u>
Operating Revenues	\$ 667,947.00	\$ 799,259.17
Operating Expenses	<u>(932,620.27)</u>	<u>(860,204.02)</u>
Operating Loss	(264,673.27)	(60,944.85)

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Non-operating Revenues (Expenses)	<u>(2,233.62)</u>	<u>14,468.97</u>
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Change in Net Assets	<u>(266,906.89)</u>	<u>(46,475.88)</u>
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Revenues decreased by \$131,312 or 16%. Expenses increased by \$72,416 or 8% of the prior year's expenses. Of the increase in expenses, \$185,600 is attributed to the implementation of GASB No. 45.

Cash flow activity of the Board for the past two years is as follows:

STATEMENT OF CASH FLOWS

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ (41,686.79)	\$ (52,934.23)
Non-capital financing activities	3,475.89	20,569.35
Capital and related financing activities	(44,642.44)	(59,180.24)
Investing activities	<u>54,150.44</u>	<u>(48,206.41)</u>
Net Decrease in		
Cash and Cash Equivalents	(28,702.90)	(136,751.53)
Cash and cash equivalents, beginning of year	<u>170,744.85</u>	<u>307,496.38</u>
Cash and cash equivalents, end of year	<u>142,041.95</u>	<u>170,744.85</u>

Budgetary Highlights

Operating revenues were \$114,273 less than the anticipated budget or 14%. Expenses were \$41,920 less than budgeted amounts creating an operating loss of \$156,193 more than expected. Greater detail regarding the budget to actual comparisons is located on page 24.

Capital Asset and Debt Administration

Capital Assets: The Board's investment in capital assets, net of accumulated depreciation and related debt, at June 30, 2009 and 2008, was \$360,755 and \$346,191, respectively.

There were no capital expenditures in the current year.

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS		
Net of Accumulated Depreciation		
	<u>2009</u>	<u>2008</u>
Non-depreciable Assets		
Land	\$ 90,000.00	\$ 90,000.00
Depreciable Assets		
Buildings	279,556.56	288,575.02
Computer/equipment	36,573.03	47,601.15
Automobiles	<u>9,168.43</u>	<u>11,206.00</u>
Total	<u>415,298.02</u>	<u>437,382.17</u>

Debt Administration: Long-term debt of the Board includes compensated absences at amounts of \$44,282 and \$42,941 at June 30, 2009 and 2008. There is also \$185,600 in estimated post-employment benefits based on actuarial amounts/assumptions.

At June 30, 2009, the Board had \$54,543 in notes outstanding with \$20,764 of that being payable over a long-term period ending in 2011. The Board met all debt obligations of this note during the year.

Request for Information

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Mr. Wayne Rogillio, Executive Director, at 15703 Old Hammond Highway, Baton Rouge, Louisiana 70816, 225-272-2310.

FUND FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>Business-type Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 142,041.95
Non-Current Assets	
Land	90,000.00
Building	359,844.50
Computer/equipment	73,717.95
Vehicles	14,263.00
Accumulated depreciation	(122,527.43)
Total Non-Current Assets	<u>415,298.02</u>
Total Assets	557,339.97
LIABILITIES	
Current Liabilities	
Accounts payable	32,244.01
Payroll taxes withheld and related payables	1,924.25
Accrued salaries payable	2,909.44
Notes payable - current portion	33,779.03
Total Current Liabilities	<u>70,856.73</u>
Non-Current Liabilities	
Notes payable	20,763.73
Compensated absences payable	44,281.97
Other post-employment benefits payable	185,600.00
Total Non-Current Liabilities	<u>250,645.70</u>
Total Liabilities	321,502.43
NET ASSETS	
Invested in capital assets, net of related debt	360,755.26
Unrestricted	(124,917.72)
Total Net Assets	<u><u>235,837.54</u></u>

See Accompanying Notes and Auditors' Report

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2009**

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 667,947.00
OPERATING EXPENSES	
Salaries and related benefits	722,346.52
Meetings, conferences and travel	3,763.78
Professional services	52,985.70
Maintenance and repairs	8,686.03
General and administrative	122,754.09
Depreciation	22,084.15
Total Operating Expenses	<u>932,620.27</u>
Operating Loss	(264,673.27)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	2,284.78
Refunds/reimbursements	3,475.89
Interest expense	(7,994.29)
Total Non-Operating Revenues (Expenses)	<u>(2,233.62)</u>
Change in Net Assets	(266,906.89)
Total Net Assets, beginning	<u>502,744.43</u>
Total Net Assets, ending	<u><u>235,837.54</u></u>

See Accompanying Notes and Auditors' Report

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATEMENT OF CASHFLOWS
YEAR END JUNE 30, 2009**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 667,947.00
Cash paid to suppliers for goods/services	(164,478.60)
Cash paid to employees for services	<u>(545,155.19)</u>
Net Cash Used for Operating Activities	(41,686.79)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Refunds received	<u>3,475.89</u>
Net Cash Provided by Non-Capital Financing Activities	3,475.89
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on long-term note	(36,648.15)
Interest paid on long-term note	<u>(7,994.29)</u>
Net Cash Used for Capital and Related Financing Activities	(44,642.44)
CASH FLOWS FROM INVESTING ACTIVITIES	
Certificate of deposit redeemed	51,865.66
Interest earned on money market accounts	<u>2,284.78</u>
Net Cash Provided by Provided by Investing Activities	<u>54,150.44</u>
Net Decrease in Cash and Cash Equivalents	(28,702.90)
Cash and Cash Equivalents, beginning of year	<u>170,744.85</u>
Cash and Cash Equivalents, end of year	<u><u>142,041.95</u></u>

Continued

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATEMENT OF CASHFLOWS (Continued)
YEAR END JUNE 30, 2009**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	(264,673.27)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	22,084.15
Increase (decrease) in liabilities:	
Accounts payable	23,711.00
Payroll taxes withheld and related payables	(10,995.92)
Accrued salaries payable	1,245.79
Compensated absences payable	1,341.46
Other post-employment benefits	<u>185,600.00</u>
Net Cash Used for Operating Activities	<u><u>(41,686.79)</u></u>

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction.....	15
1	Summary of Significant Accounting Policies.....	15
2	Cash and Cash Equivalents.....	18
3	Capital Assets.....	18
4	Leave.....	19
5	Retirement System.....	20
6	Post Retirement Health Care and Life Insurance Benefits	20
7	Deferred Compensation Plan	23
8	Accounts and Other Payables	23
9	Long-Term Liabilities.....	23
10	Related Party Transactions.....	24
11	Litigation.....	24
12	Subsequent Events	24

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

INTRODUCTION

The Louisiana State Board of Private Security Examiners is a component unit of the State of Louisiana. It was created within the Department of Public Safety and Corrections as provided by Louisiana Revised Statute 37:3270-3298. The Board serves as a statewide authority to license and regulate private security providers. It also conducts hearings, if warranted, on complaints against these individuals or businesses. Headquartered in Baton Rouge, the Board's operations are funded by self-generated revenues.

The Board is composed of 9 members that are appointed by the Governor of the State of Louisiana and serve five-year terms. The members are not compensated for their services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana State Board of Private Security Examiners conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the Board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana State Board of Private Security Examiners.

Fund Accounting: The Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Board are classified under one category: proprietary. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – account for activities that are similar to activities found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds of the Board include the following fund types:

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. Enterprise – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements, is recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund financial statements of the Board are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Board's licensing activities are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Budgets and Budgetary Accounting: Subject to the Louisiana Licensing Agency Budget Act established by Louisiana Revised Statutes 39:1331-1342, the Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Board retains its unexpended fund balances to fund expenditures of the succeeding year.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in interest-bearing demand deposits and certificates of deposit. Under state law, the Board may deposit funds in demand

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity date of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Board's assets are recorded at historical cost. Depreciation is recorded using the straight-line method of depreciation over the useful lives of the assets. This period is considered 10-50 years for buildings and improvements and 5-10 years for vehicles and equipment. Generally, the Board includes all capital acquisitions with a cost of \$5,000 or more in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

Compensated Absences: Employees of the Board earn and accumulate vacation and sick leave at varying rates depending on their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, however, employees or their heirs are compensated for only up to 300 hours of unused vacation leave. This is computed at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. At June 30, 2009, employees of the Board had accumulated and vested \$44,281.97 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.150.

Net Assets: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2009:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits	\$ 142,041.95	\$ 137,802.99

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with \$200,000 (Hancock Bank) of insurance through FDIC and \$337,722 of pledged collateral.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated				
Land	\$ 90,000.00	\$.00	\$.00	\$ 90,000.00

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Buildings and improvements	359,844.50	.00	.00	359,844.50
Less: accumulated depreciation	71,269.48	9,018.46	.00	80,287.94
Net Buildings and Improvements	288,575.02	(9,018.46)	.00	279,556.56
Computers/equipment	73,717.95	.00	.00	73,717.95
Less: accumulated depreciation	26,116.80	11,028.12	.00	37,144.92
Net Computers/Equipment	47,601.15	(11,028.12)	.00	36,573.03
Automobiles	44,903.90	.00	30,640.90	14,263.00
Less: accumulated depreciation	33,697.90	2,037.57	(30,640.90)	5,094.57
Net Automobiles	11,206.00	(2,037.57)	.00	9,168.43
Net Capital Assets, being depreciated	347,382.17	(22,084.15)	.00	325,298.02
Net Capital Assets	437,382.17	(22,084.15)	.00	415,298.02

NOTE 4 – LEAVE

Annual and Sick Leave. The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to the employee's immediate supervisor and approved by the Executive Director. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2009 and 2008, being \$44,281.97 and \$42,940.51, respectively.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer.

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 – RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a cost sharing, multiple-employer, defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate Board of Trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804-4213, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Board is required to contribute at an actuarially determined rate as required by Louisiana R.S. 11:102. That rate for the year ended June 30, 2009, was 20.4%. Contributions to the System for the years ended June 30, 2009, 2008 and 2007, were \$63,663, \$76,901 and \$64,671, respectively.

NOTE 6 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description. The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy. LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2009, this amount ranges from \$315 to \$341 per month for single members with Medicare or \$969 to \$1,049 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,164 to \$1,261 per month for those with Medicare or \$1,710 to \$1,853 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

OPEB Cost/Obligation. The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2008, is as follows:

Normal cost	\$ 126,200
30 year UAL amortization amount	<u>59,400</u>
Annual Required Contribution (ARC)	<u>185,600</u>

The Board's OPEB obligation for the year ended June 30, 2009, is as follows:

Annual required contribution/OPEB Cost	\$ 185,600
Contributions made	-0-
Net OPEB obligation, beginning	<u>-0-</u>
Net OPEB obligation, ending	<u>185,600</u>

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Utilizing the pay-as-you-go method, the Board contributed 0% of the annual post-employment benefits cost during the current year. Because this is the first year of implementation, information for prior years is not presented.

Funding Status and Funding Progress. As of June 30, 2009, the Board had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 185,600
Covered payroll (active employees)	221,500
UAAL as a percentage of covered payroll	83%

Actuarial Methods/Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2008, was thirty years.

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 – DEFERRED COMPENSATION PLAN

Nine employees of the Board participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued report of the plan available from the Louisiana Legislative Auditor, P. O. Box 94397, Baton Rouge, LA 70804, 225-339-3800.

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2009:

Class of Payables

Accounts	\$ 32,244.01
Payroll taxes withheld and related	1,924.25
Salaries and retirement benefits	<u>2,909.44</u>
Total	<u>37,077.70</u>

NOTE 9 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Notes	\$ 91,190.91	\$.00	\$ 36,648.15	\$ 54,542.76	\$ 33,779.03
Post-employment	<u>.00</u>	<u>185,600.00</u>	<u>.00</u>	<u>185,600.00</u>	<u>.00</u>
Total	<u>91,190.91</u>	<u>185,600.00</u>	<u>36,648.15</u>	<u>240,142.76</u>	<u>33,779.03</u>

The Board's office building secures a note that was executed on June 7, 2001, in the amount of \$241,000. This installment note bears interest at 9.5% and is payable in monthly installments of \$3,137 through June of 2011.

Repayment is as follows:

	<u>Principal</u>	<u>Interest</u>
June 30, 2010	\$ 33,779.03	\$ 3,742.30
June 30, 2011	<u>20,763.73</u>	<u>645.59</u>
Total	<u>54,542.76</u>	<u>4,387.89</u>

Other long-term liabilities include compensated absences that totaled \$44,281.97 at June 30, 2009.

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 10 - RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

NOTE 11 – LITIGATION

There is no litigation pending or anticipated against the Board that would require disclosure.

NOTE 12 – SUBSEQUENT EVENTS

There have been no events between the close of the year and issuance of this report that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
BUDGETARY COMPARISON SCHEDULE
YEAR END JUNE 30, 2009**

	<u>Budgeted</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and other fees	\$ 782,220.00	\$ 782,220.00	\$ 667,947.00	\$ (114,273.00)
EXPENDITURES				
Salaries and related benefits	691,796.00	691,796.00	722,346.52	(30,550.52)
Meetings, conferences and travel	3,504.00	3,504.00	3,763.78	(259.78)
Professional services	123,504.00	123,504.00	52,985.70	70,518.30
Maintenance and repairs	14,508.00	14,508.00	8,686.03	5,821.97
General and administrative	104,028.00	104,028.00	122,754.09	(18,726.09)
Depreciation	37,200.00	37,200.00	22,084.15	15,115.85
Total Expenditures	974,540.00	974,540.00	932,620.27	41,919.73
Operating Loss	(192,320.00)	(192,320.00)	(264,673.27)	(156,192.73)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,704.00	1,704.00	2,284.78	580.78
Refunds/reimbursements	1,008.00	1,008.00	3,475.89	2,467.89
Interest expense	(8,400.00)	(8,400.00)	(7,994.29)	405.71
Total Non-Operating Revenues (Expenses)	(5,688.00)	(5,688.00)	(2,233.62)	3,454.38
Change in Net Assets	(198,008.00)	(198,008.00)	(266,906.89)	(152,738.35)
Net Assets, beginning	502,744.43	502,744.43	502,744.43	-
Net Assets, ending	304,736.43	304,736.43	235,837.54	(152,738.35)

See Auditors' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2009**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, a schedule of per diem/compensation paid to Board members is required supplemental information.

Board members of the Louisiana State Board of Private Security Examiners do not receive a per diem for attending Board meetings. Provided sufficient documentation is obtained, they may be paid for actual expenses related to Board business.

Below is a listing of board members as of June 30, 2009.

District 1	Gurvich, Jr., Louis (Chair)
District 2	Romero, James H. "Chip"
District 3	Baer, Thomas L.
District 4	Duplechain, Charles V.
District 5	Cotton, Donald O.
At Large	Kennedy, Kenneth R.
	Lockett, Denise
	Vinson, Christine
	Rojas, George

See Auditors' Report

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
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Baker, Louisiana 70704-0030
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mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board Members of the
Louisiana State Board of Private Security Examiners
15703 Old Hammond Highway
Baton Rouge, Louisiana 70816

We have audited the financial statements of the business-type activities and the remaining fund information of the Louisiana State Board of Private Security Examiners, a component unit of the State of Louisiana, which collectively comprise the basic financial statements as listed in the table of contents, as of and for the year ended June 30, 2009, and have issued our report thereon dated August 24, 2009. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana State Board of Private Security Examiners' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and described as finding 2009-01 in the schedule of findings and questioned costs.

Internal Control Over Financial Reporting

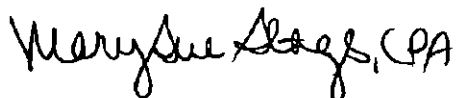
In planning and performing our audit, we considered the Louisiana State Board of Private Security Examiners' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana State Board of Private Security Examiners' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana State Board of Private Security Examiners' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the governmental agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement on the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the governmental agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 24, 2009

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

We have audited the basic financial statements of the Louisiana State Board of Private Security Examiners as of and for the year ended June 30, 2009, and have issued our report thereon dated August 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2009, resulted in a qualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No

2. Federal Awards N/A

Section II Financial Statement Findings

2009.01 Local Government Budget Act

Condition/Effect: Revenues fell short of budgeted amounts by \$114,273. The Local Government Budget Act requires that actual revenues be within 5% of budgeted amounts in total and within 10% of each category. Because \$114,273 represents 14% of budgeted amounts, the Board is not in compliance with this law.

Recommendation: We recommend that a budget to actual comparison be made periodically throughout the year but not less than quarterly. Appropriate amendments should be made based on this comparison and anticipated totals by year-end.

Management's Response: "We will implement this procedure. The shortfall in revenues was considered by the Board with the understanding that needed cash would come from prior year's reserves."

Section III Federal Award Findings and Questioned Costs

N/A

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2009**

Section I Internal Control and Compliance Material to the Financial Statements

2008-01 Implementation of GASB Statement No. 45

Condition. The Board did not implement GASB No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*.

Recommendation. To implement as of June 30, 2009

Disposition. Resolved

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2009**

Section I Internal Control and Compliance Material to the Financial Statements

2009-01 Local Government Budget Act

Please see management's response in the schedule of findings and questioned costs

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

OTHER REQUIRED SUPPLEMENTAL INFORMATION

**LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2009**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana State Board of Private Security Examiners are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration for reporting purposes. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2009

C O N T E N T S

AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities (Additional information in Appendix B)	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (See Appendix C)
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Other Postemployment Benefits (Additional information in Appendix D)
J.	Leases
K.	Long-Term Liabilities
L.	Contingent Liabilities
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendix E)
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets
BB.	Net Assets Restricted by Enabling Legislation (See Appendix F)
CC.	Impairment of Capital Assets (See Appendix G)
DD.	Employee Termination Benefits
EE.	Pollution Remediation Obligations

Schedules

1	Schedule of Per Diem Paid to Board Members
15	Schedule of Comparison Figures and Instructions

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
15703 OLD HAMMOND HIGHWAY
BATON ROUGE, LA 70816

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095


Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Wayne Rogillio, Executive Secretary, of Louisiana State Board of Private Security Examiners who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana State Board of Private Security Examiners at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 24 day of August, 2009.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Wayne Rogillio

Title: Executive Secretary

Telephone No.: (225) 272-2310

Date: August 24, 2009

Email Address:

PENNY PITTMAN
NOTARY PUBLIC
NOTARY ID NO. 010089
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

**STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

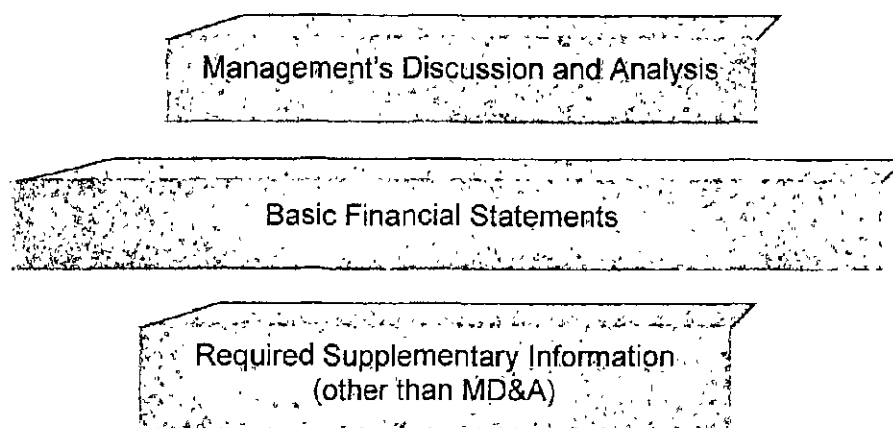
Management's Discussion and Analysis of the Louisiana State Board of Private Security Examiners' (hereinafter referred to as the Board) financial performance presents a narrative overview and analysis of Board's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Board's financial statements.

FINANCIAL HIGHLIGHTS

- The Board's assets exceeded its liabilities by \$235,838 at June 30, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009

The Statement of Cash Flows presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2009
(in thousands)

	Total	
	2009	2008
Current and other assets	\$ 142	\$ 223
Capital assets	415	437
Total assets	557	660
Other liabilities	71	53
Long-term debt outstanding	251	104
Total liabilities	322	157
Net assets:		
Invested in capital assets, net of debt	361	346
Restricted		
Unrestricted	125	157
Total net assets	\$ 236	\$ 503

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of Board's decreased by \$267, or 53%, from June 30, 2008 to June 30, 2009. The primary reasons are due to (1) the implementation of GASB No. 45 Other Post-Employment Benefits and (2) a decrease in revenues.

**STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2009
(in thousands)**

	Total	
	2009	2008
Operating revenues	\$ 668	\$ 799
Operating expenses	933	860
Operating income(loss)	(265)	(61)
Non-operating revenues	6	25
Non-operating expenses *	-8	-10
Income(loss) before transfers	(267)	(46)
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ (267)	\$ (46)

* Enter expenses as a negative amount

The Board's total revenues decreased by \$131 or 16%. The total cost of all programs and services increased by \$72 or 8%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2009, the Board had \$360,755 invested in a broad range of capital assets, including furniture, office equipment and computers and related equipment (see accompanying Table).

There were no major additions during the year.

Debt

The only debt of the Board includes (1) unused vacation leave totaling \$44,282 (2) estimated obligations related to post-employment health and life insurance benefits totaling \$185,600 and (3) a long-term note secured by the Board's building totaling \$54,543. Of this amount, \$33,779 is due within one year and \$20,764 is due the following year.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$114,273 or 14% less than budget while expenditures were less than budget by \$41,920.

**STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Potential impact of the depressed economy on the security industry
- Staffing needs
- Cashflow

CONTACTING THE BOARD'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's (BTA) finances and to show the Board's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Wayne Rogillio or Sharon Vallery at 225-272-2310

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
BALANCE SHEET
AS OF JUNE 30, 2009

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 142,042
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	142,042

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	90,000
Buildings and improvements	279,557
Machinery and equipment	36,573
Infrastructure	
Vehicles	9,168
Other noncurrent assets	
Total noncurrent assets	415,298
Total assets	\$ 557,340

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 37,078
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	33,779
Bonds payable	
Other long-term liabilities	
Total current liabilities	70,857

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	44,282
Capital lease obligations	
Claims and litigation payable	
Notes payable	20,764
Bonds payable	
OPEB payable	185,600
Other long-term liabilities	
Total noncurrent liabilities	250,646
Total liabilities	321,502

NET ASSETS

Invested in capital assets, net of related debt	360,755
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	(124,918)
Total net assets	235,838
Total liabilities and net assets	\$ 557,340

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Statement B

OPERATING REVENUES

Sales of commodities and services	\$	
Assessments		
Use of money and property		
Licenses, permits, and fees		667,947
Other		
Total operating revenues		667,947

OPERATING EXPENSES

Cost of sales and services		
Administrative		910,536
Depreciation		22,084
Amortization		
Total operating expenses		932,620
Operating income(loss)		(264,673)

NON-OPERATING REVENUES(EXPENSES)

State appropriations		
Intergovernmental revenues(expenses)		
Taxes		
Use of money and property		2,285
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		
Federal grants		
Interest expense		(7,994)
Other revenue		3,476
Other expense		
Total non-operating revenues(expenses)		(2,234)
Income(loss) before contributions, extraordinary items, & transfers		(266,907)

Capital contributions
 Extraordinary item - Loss on impairment of capital assets
 Transfers in
 Transfers out

Change in net assets		(266,907)
Total net assets – beginning		502,744
Total net assets – ending	\$	235,838

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement C

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Entity	\$ 932,620	\$ 667,947	\$	\$	\$ (264,673)
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					2,285
Miscellaneous					(4,518)
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					(2,234)
Change in net assets					(266,907)
Net assets - beginning as restated					502,744
Net assets - ending					\$ 235,838

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Statement D
(continued)

Cash flows from operating activities		
Cash received from customers	\$ 667,947	
Cash payments to suppliers for goods and services	(164,479)	
Cash payments to employees for services	(545,155)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(41,687)
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	3,476	
Net cash provided(used) by non-capital financing activities		3,476
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	(36,648)	
Interest paid on notes payable	(7,994)	
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(44,642)
Cash flows from investing activities		
Purchases of investment securities	0	
Proceeds from sale of investment securities	51,866	
Interest and dividends earned on investment securities	2,285	
Net cash provided(used) by investing activities		54,150
Net increase(decrease) in cash and cash equivalents		(28,703)
Cash and cash equivalents at beginning of year		170,745.00
Cash and cash equivalents at end of year	\$	142,042

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ (264,673)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	22,084	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	13,961	
Increase(decrease) in compensated absences payable	1,341	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable	185,600	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ (41,687)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	-

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

INTRODUCTION

The Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3270-3298 . The following is a brief description of the operations of the Board and includes the parishes in which the Board is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Board are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

	APPROPRIATIONS
Original approved budget	\$ 932,620
Amendments:	
Final approved budget	\$ 932,620

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

The deposits at June 30, 2009, consisted of the following.

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Balance per agency books (Balance Sheet)	\$ 142,042	\$	\$	\$ 142,041.95
Deposits in bank accounts per bank	\$ 137,803	\$	\$	\$ 137,802.99
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$	\$	\$	\$ -

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. _____	_____	\$ _____
2. <u>Hancock Bank</u>	<u>Operations</u>	<u>137,803</u>
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>137,803</u>

2. INVESTMENTS

The Board does not maintain investment accounts as authorized by La. Revised Statute 33:2955.

3. DERIVATIVES

N/A

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

N/A

B. Interest Rate Risk of Debt Investments

N/A

C. Concentration of Credit Risk

N/A

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

D. Foreign Currency Risk

N/A

5. POLICIES

N/A

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009						
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements
	Balance 6/30/2008	Adj. after submitted to OSRAP (+ or -)	Restatements (+ or -)				Balance 6/30/2009
Capital assets not being depreciated							
Land	\$ 90,000	\$	\$	\$ 90,000	\$	\$	\$ 90,000
Construction in progress				--			--
Total capital assets not being depreciated	90,000	--	--	90,000	--	--	90,000
Other capital assets							
Machinery and equipment	118,622			118,622			149,263
Less accumulated depreciation	(59,815)			(59,815)	(13,066)		(103,521)
Total Machinery and equipment	58,807	--	--	58,807	(13,066)	--	45,741
Buildings and improvements	359,845			359,845			359,845
Less accumulated depreciation	(71,269)			(71,269)	(9,018)		(80,288)
Total buildings and improvements	288,575	--	--	288,575	(9,018)	--	279,557
Infrastructure				--			--
Less accumulated depreciation				--			--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	347,382	--	--	347,382	(22,084)	--	325,298
Capital Asset Summary:							
Capital assets not being depreciated	90,000	--	--	90,000	--	--	90,000
Other capital assets, at cost	478,466	--	--	478,466	--	--	509,107
Total cost of capital assets	568,466	--	--	568,466	--	--	599,107
Less accumulated depreciation	(131,084)	--	--	(131,084)	(22,084)	--	(183,809)
Capital assets, net	\$ 437,382	\$ --	\$ --	437,382	(22,084)	\$ --	\$ 415,298

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1. COMPENSATED ABSENCES

The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to and approved by the Director. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2009, being \$44,282.

2. COMPENSATORY LEAVE

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no compensatory leave time accrued at June 30, 2009.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll from the 19.1% required in fiscal years ended June 30, 2008 and 2007. The Board contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$24,887, \$26,989 and \$23,409, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Board may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description. The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy. LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2009, this amount ranges from \$315 to \$341 per month for single members with Medicare or \$969 to \$1,049 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,164 to \$1,261 per month for those with Medicare or \$1,710 to \$1,853 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

OPEB Cost/Obligation. The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2008, is as follows:

Normal cost	\$ 126,200
30 year UAL amortization amount	<u>59,400</u>
Annual Required Contribution (ARC)	<u>185,600</u>

The Board's OPEB obligation for the year ended June 30, 2009, is as follows:

Annual required contribution/OPEB Cost	\$ 185,600
Contributions made	<u>-0-</u>
Change in Net OPEB Obligation	185,600
Net OPEB obligation, beginning	<u>-0-</u>
Net OPEB obligation, ending	<u>185,600</u>

Utilizing the pay-as-you-go method, the Board contributed 0% of the annual post-employment benefits cost during the current year. Because this is the first year of implementation, information for prior years is not presented.

Funding Status and Funding Progress. As of June 30, 2009, the Board had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 185,600
Covered payroll (active employees)	221,500
UAAL as a percentage of covered payroll	83%

Actuarial Methods/Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2008, was thirty years.

J. LEASES

1. OPERATING LEASES

N/A

2. CAPITAL LEASES

N/A

3. LESSOR DIRECT FINANCING LEASES

N/A

4. LESSOR – OPERATING LEASE

N/A

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:
(Balances at June 30th should include current and non-current portion of long-term liabilities.)

	Year ended June 30, 2009				
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amounts due within one year
Notes and bonds payable:					
Notes payable	\$ 91,191	\$	\$ 36,648	\$ 54,543	\$ 33,779
Bonds payable				--	
Total notes and bonds	<u>91,191</u>	<u>--</u>	<u>36,648</u>	<u>54,543</u>	<u>33,779</u>
Other liabilities:					
Contracts payable				--	
Compensated absences payable	42,941	1,341		44,282	
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable	--	185,600		185,600	
Other long-term liabilities				--	
Total other liabilities	<u>42,941</u>	<u>186,941</u>	<u>--</u>	<u>229,882</u>	<u>--</u>
Total long-term liabilities	<u>\$ 134,132</u>	<u>\$ 186,941</u>	<u>\$ 36,648</u>	<u>\$ 284,425</u>	<u>\$ 33,779</u>

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

N/A

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 32,244	\$ 4,834	\$	\$	\$ 37,078
					-
Total payables	\$ 32,244	\$ 4,834	\$ -	\$ -	\$ 37,078

STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statements
As of and for the Year Ended June 30, 2009

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)

N/A

Name		Amount
Gurvich, Jr., Louis (District 1)	\$	-
Romero, James H. 'Chip' (District 2)		-
Baer, Thomas L. (District 3)		-
Duplechain, Charles V. (District 4)		-
Cotton, Donald O. (District 5)		-
Kennedy, Kenneth R. (At-large)		-
Lockett, Denise (At-large)		-
Vinson, Christine (At-large)		-
Rojas, George (At-large)		0
Total	\$	-

SCHEDULE 1

STATE OF LOUISIANA
BOARD OF PRIVATE SECURITY EXAMINERS
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 673,708	\$ 819,829	\$ (146,121)	\$ 18%
Expenses	940,615	860,204	80,411	10%
2) Capital assets	415,298	437,383	(22,085)	5%
Long-term debt	250,646	104,248	146,398	>100%
Net Assets	235,838	502,744	(266,906)	53%

Explanation for change: _____

